



Rule and Interpretive/Policy Statement Review Checklist
(This form must be filled out electronically.)

This form is to be used when the current version of the rule(s) has/have not previously been reviewed. When reviewing an interpretive or policy statement, this document is to be used only if the review of the statement is not in conjunction with the review of a rule.

All responses should be **bolded**.

Document(s) Reviewed (include title): **WAC 458-20-17802 (Collection of use tax by county auditors and department of licensing -- Measure of tax.)**

Date last adopted/issued: **October 26, 2001**

Reviewer: **Mark Mullin**

Date review completed: **May 28, 2003**

Briefly explain the subject matter of the document(s): **This rule provides important information about how county auditors, their subagents, and the Department of Licensing (DOL) determine the measure of use tax when a person applies to transfer the certificate of ownership of a motor vehicle acquired without the payment of sales tax. The rule provides information about the automated valuing system used to determine the average retail value for a motor vehicle. It also provides information about when the purchase price will and will not be presumed to represent the true value of the vehicle. Finally, the rule provides information about how a person can substantiate the true value of a vehicle when the purchase price is not presumed to represent the true value of the vehicle.**

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Public requests for review:

YES	NO	
	X	Is this document being reviewed at this time because of a public (e.g., taxpayer or business association) request?

If "yes," provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request.

2. Need:

YES	NO	
X		Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?)



	X	Is the information provided in the document so obsolete that it is of little value, warranting the repeal or revision of the document?
	X	Have the laws changed so that the document should be revised or repealed? (If the response is "yes" that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)
X		Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington's citizens? (If the response is "no", the recommendation must be to repeal the document.)

Please explain.

This rule has been in effect for less than two years as of the completion of this review. The rule continues to provide useful and accurate information. There are no other administrative rules discussing the collection of use tax by county auditors, their subagents, and the DOL. A 1999 audit of the DOL by the Joint Legislative Audit Review Committee (JLARC) recommended that guidelines for the collection of use tax by county auditors and subagents be incorporated into an administrative rule by the Department of Revenue.

3. Related interpretive/policy statements, court decisions, BTA decisions, and WTDs:

Complete Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an interpretive or policy statement. Excise Tax Advisories (ETAs), Property Tax Advisories and Bulletins (PTAs/PTBs), and Interim Audit Guidelines (IAGs) are considered interpretive and/or policy statements.

(a)

YES	NO	
	X	Are there any interpretive or policy statements that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any interpretive or policy statements that should be cancelled because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?

(b)

YES	NO	
		Should this interpretive or policy statement be incorporated into a rule?
		Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) that affect the information now provided in this document?
		Are there any administrative decisions (e.g., Appeals Division decisions



	(WTDs)) that provide information that should be incorporated into the document?
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If the answer is "yes" to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

4. Clarity and Effectiveness:

YES	NO	
X		Is the document written and organized in a clear and concise manner?
X		Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
X		Is the document providing the result(s) that it was originally designed to achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities or help ensure that the tax law and/or exemptions are consistently applied?)
	X	Do changes in industry practices warrant repealing or revising this document?
	X	Do administrative changes within the Department warrant repealing or revising this document?

Please explain.

The rule as written is providing the results they were designed to achieve. This rule is accurate, clear, and concise. However, as noted in the Concise Explanatory Statement for this rule, the Department should consider adding information about refunds in any future revision of this rule.

The rule contains website information that is out-of-date and could be confusing to readers. For example, subsection (1) of the rule provides that vehicle licensing locations and information about vehicle titles and registration are available from the DOL at <http://www.wa.gov/dol/>, under "vehicles list." However, the current website address for the DOL is <http://www.dol.wa.gov/>. Moreover, there is no "vehicles list" on the DOL's homepage. Another example is in subsection (5)(b) which provides that the Declaration of Buyer and Seller Regarding Value of Used Vehicle Sale is available from the Department of Revenue via the Internet at <http://dor.wa.gov/> under "other forms and schedules." However, there is no "other forms and schedules" option on our homepage. There is a "forms" option where the document can be located.

5. Intent and Statutory Authority:

YES	NO	
X		Does the Department have sufficient authority to adopt this document? (Cite the statutory authority in the explanation below.)
X		Is the document consistent with the legislative intent of the statute(s) that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed to implement ?) If "no," identify the specific statute and explain below. List all statutes being implemented in



		Section 9, below.)
	X	Is there a need to recommend legislative changes to the statute(s) being implemented by this document?

Please explain.

The statutory authority for the Department to adopt this rule is RCW 82.01.060(2), 82.12.045, and 82.32.300. The information contained in the rule is consistent with RCW 82.12.045, the statute being implemented. There is no need to recommend changes to RCW 82.12.045.

6. Coordination: Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

YES	NO	
X		Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain.

An automated valuing system (AVS) committee was formed to carry out JLARC's recommendation that the departments of Licensing and Revenue modify their practices to ensure that all title transactions triggering a use tax liability are automatically checked against an acceptable industry-based source. The AVS committee consisted of representatives from the departments of Revenue and Licensing, the Washington Association of County Auditors, and the Washington Association for Vehicle Subagents. The AVS committee's recommendations are reflected in WAC 458-20-17802. The Department of Revenue should consider consulting with the DOL, the Washington Association of County Auditors, and the Washington Association for Vehicle subagents on any future revisions to this rule to avoid any duplication or inconsistency.

7. Cost: When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
	X	Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer "yes" only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.)

Please explain.

This is an interpretive rule that imposes no new or additional administrative burdens on business activities that are not imposed by law.

8. Fairness: When responding, consider only the impacts imposed by the document being reviewed and not by the statute.



YES	NO	
X		Does the document result in equitable treatment of those required to comply with it?
	X	Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
	X	Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.

These rules apply equally to all county auditors, their subagents, the departments of Licensing and Revenue, and taxpayers.

- 9. LISTING OF DOCUMENTS REVIEWED:** Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive or policy statements, and similar documents should include titles. Citations to Attorney General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).

Statute(s) Implemented:

- **RCW 82.12.010 (Definitions.)**
- **RCW 82.12.020 (Use tax imposed.)**
- **RCW 82.12.045 (Collection of tax on motor vehicles by county auditor or director of licensing -- Remittance.)**

Interpretive and/or Policy Statements (e.g., ETAs, PTAs, IAGs): **None.**

Court Decisions: **None.**

Board of Tax Appeals Decisions (BTAs): **None.**

Appeal Division Decisions (WTDs): **None.**

Attorney General Opinions (AGOs): **None.**

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed): **None.**

- **Use Tax Facts for Vehicle Transactions**



10. Review Recommendation:

- _____ **Amend**
- _____ **Repeal/Cancel** (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
- X** **Leave as is** (Appropriate even if the recommendation is to incorporate the current information into another rule.)
- _____ **Begin the rule-making process for possible revision.** (Applies only when the Department has received a petition to revise a rule.)

Explanation of recommendation: Provide a brief summary of your recommendation. If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, and court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, and court decisions).

There is no need to make any substantive changes to this rule at this time. The next time this rule is revised, the website information provided in the rule should be updated.

11. Manager action: Date: 7/8/03

 AL Reviewed and accepted recommendation

Amendment priority:

- _____ 1
_____ 2
_____ 3
_____ 4